Pension Board

Regular Meeting

~ Minutes ~

THURSDAY, January 12, 2017 9:00 a.m.  Pension Board Conference Room

ORDER OF BUSINESS

1. CALL TO ORDER

Mayor Rogero called to order the January 12, 2017 meeting of the City of Knoxville Pension Board at 9:00 a.m. in the Pension Board Conference Room.

2. ROLL CALL

<table>
<thead>
<tr>
<th>Attendee Name</th>
<th>Title</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mayor Rogero</td>
<td>Mayor</td>
<td>Present</td>
</tr>
<tr>
<td>Linda Gay Blanc</td>
<td>Mayoral Appointment</td>
<td>Present</td>
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<tr>
<td>Mark Fortner</td>
<td>Police Representative</td>
<td>Present</td>
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<tr>
<td>Jim York</td>
<td>Finance Director</td>
<td>Present</td>
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<tr>
<td>Dennis Owen</td>
<td>Mayoral Appointment</td>
<td>Present</td>
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<tr>
<td>Stephen King</td>
<td>General Government Representative</td>
<td>Present</td>
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<tr>
<td>Michael Paseur</td>
<td>General Government Representative</td>
<td>Present</td>
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<tr>
<td>Finbarr Saunders</td>
<td>City Council Representative</td>
<td>Present</td>
</tr>
<tr>
<td>John Tillett</td>
<td>Fire Representative</td>
<td>Present</td>
</tr>
<tr>
<td>Kathy Aslinger</td>
<td>Legal Counsel</td>
<td>Present</td>
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<tr>
<td>Kristi Paczkowski</td>
<td>Executive Director</td>
<td>Present</td>
</tr>
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Others Present: Mr. Charles Swanson – City of Knoxville Law Director; Mr. Eric Vreeland – City of Knoxville Communications Manager; Ms. Savannah Maupin – City Recorder's Office; Mr. Bruce Cureton and Mr. Roger Byrd – Fire Department Uniformed Retired members; Mr. Alan Pennington – Bryan, Pendleton, Swats and McAllister; Mr. George Wallace – City Council Member; Mr. John Craig – City resident; Mr. Tyler Whetstone – Knoxville News Sentinel.
3. APPROVAL OF REGULAR MEETING MINUTES FOR DECEMBER 9, 2016.

Mr. Saunders made a motion to approve the minutes of the December 9, 2016 meeting. Mr. Owen seconded the motion. The motion passed 7-0.

4. APPROVAL OF REVISED AGENDA – Exhibit 1

Mr. Paseur made a motion to accept the Revised Agenda and to move agenda items 8, 9, 10, 11 and 12 above agenda item 5. Mr. Saunders seconded the motion. The motion passed 7-0.

8. ENROLLMENTS

The following General Government employees have filed applications to become members of the Plan H-GG pension system:

- Paul R Adams
- Marilyn A Anderson
- Joel E Byrd
- Ryan E Haaland
- Jacob A Lawson
- Jonathan R Malach
- Katrise N Thompson
- Donna K Vineyard
- James M Webber

Motion: Mr. Paseur made a motion to approve these applications for enrollment in Plan H-GG of the pension system. Mr. Saunders seconded the motion. The motion passed 7-0.

9. WITHDRAWALS

The following employees have filed applications to withdraw employee pension contributions plus 0.72% interest and the supplemental retirement account as applicable to each participant’s respective plan.

- Joshua Dykes, Police Dept – Plan C, vested

Motion: Mr. Fortner made a motion to approve this application for withdrawal of employee contributions. Mr. Paseur seconded the motion. The motion passed 7-0.

10. APPLICATION FOR NORMAL RETIREMENT: PLAN G2

CHARTER SECTION 1360.12

Mayme J Hopper, General Govt. No Option
Date of birth, October 6, 1950: 66 years of age
Total credited service: 14 years 7 months 12 days
Average monthly salary for 2 highest 12 month periods, $2,765.29 x .021 = $58.07 x 14.61621 = $848.76 pension effective January 1, 2017
Motion: Mr. Paseur made a motion to approve this application for Normal retirement. Mr. King seconded the motion. The motion passed 7-0.

11. APPLICATION FOR PARTICIPATION IN THE DELAYED RETIREMENT OPTION PROGRAM (DROP): PURSUANT TO CHARTER SECTION 1390.22 – PLAN C.
The following employees have chosen a Delayed Retirement Option and will receive a one-time payment of the accumulated monthly benefits on termination of employment with the City of Knoxville.

a) Michael C Anders, Police Dept. - Uniformed  *Option A-4  50% without reinstatement
   Date of birth, May 27, 1962: 54 years of age
   Total credited service: 25 years 9 mos 12 days
   Average monthly salary for 2 highest 12 month periods, $4,866.10 x .025 = $121.65 x 25.78288 = $3,136.49. Mr. Anders chose Option A-4 – 50% without reinstatement to Debbie L Anders, spouse.
   $3,136.49 pension effective January 1, 2017
   DROP complete December 31, 2018.
   *No reduction in Plan C for 50% Joint and Survivor Option to a spouse.

Motion: Mr. Owen made a motion to approve this application for DROP retirement payable under Option A-4. Mr. Saunders seconded the motion. The motion passed 7-0.

b) Eddie G Ault, Fire Dept. - Uniformed  No Option
   Date of birth, November 22, 1960: 56 years of age
   Total credited service: 38 years 1 mo 22 days
   Average monthly salary for 2 highest 12 month periods, $5,211.34 x .025 = $130.28 x 30.0 = $3,908.40 pension effective January 1, 2017
   DROP complete December 31, 2018.

Motion: Mr. Owen made a motion to approve this application for DROP retirement. Mr. Saunders seconded the motion. The motion passed 7-0.

c) Vincent M Ayub, Police Dept. - Uniformed  *Option A-4  50% without reinstatement
   Date of birth, December 17, 1953: 63 years of age
   Total credited service: 30 years 1 mo 21 days
   Average monthly salary for 2 highest 12 month periods, $5,987.42 x .025 = $149.69 x 30.0 = $4,490.70. Mr. Ayub chose Option A-4 – 50% without reinstatement to Savannah L Ayub, spouse.
   $4,490.70 pension effective January 1, 2017
   DROP complete December 31, 2018.
   *No reduction in Plan C for 50% Joint and Survivor Option to a spouse.

Motion: Mr. Owen made a motion to approve this application for DROP retirement payable under Option A-4. Mr. Saunders seconded the motion. The motion passed 7-0.
d) Ronald A Bradley, Police Dept. - Uniformed

Date of birth, August 2, 1963: 53 years of age
Total credited service: 30 years 1 mo 21 days
Average monthly salary for 2 highest 12 month periods, \( \$5,480.39 \times 0.025 = \$137.01 \times 30.0 = \$4,110.30 \). Mr. Bradley chose Option A-6 – 100% without reinstatement to Amanda P Bradley, spouse. \( \$4,110.30 \times 0.8562 = \$3,519.24 \) pension effective January 1, 2017
DROP complete December 31, 2018.

Motion: Mr. Owen made a motion to approve this application for DROP retirement payable under Option A-6. Mr. Saunders seconded the motion. The motion passed 7-0.

d) Jaquetta Z Brooks, Fire Dept. - Uniformed

Date of birth, July 3, 1958: 58 years of age
Total credited service: 28 years 3 mos 19 days
Average monthly salary for 2 highest 12 month periods, \( \$5,209.16 \times 0.025 = \$130.23 \times 28.30205 = \$3,685.78 \) pension effective January 1, 2017
DROP complete December 31, 2018.

Motion: Mr. Owen made a motion to approve this application for DROP retirement. Mr. Saunders seconded the motion. The motion passed 7-0.

e) Kent L Holley, Fire Dept. - Uniformed

Date of birth, June 5, 1956: 60 years of age
Total credited service: 27 years 9 mos 5 days
Average monthly salary for 2 highest 12 month periods, \( \$5,209.16 \times 0.025 = \$130.23 \times 27.76370 = \$3,615.67 \). Mr. Holley chose Option A-8 – 75% with reinstatement to Lisa D Holley, spouse. \( \$3,615.67 \times 0.9082 = \$3,283.75 \) pension effective January 1, 2017
DROP complete December 31, 2018.

Motion: Mr. Owen made a motion to approve this application for DROP retirement payable under Option A-8. Mr. Saunders seconded the motion. The motion passed 7-0.

f) Monty S Houk, Police Dept. - Uniformed

Date of birth, October 16, 1966: 50 years of age
Total credited service: 28 years 8 mos 7 days
Average monthly salary for 2 highest 12 month periods, \( \$7,207.54 \times 0.025 = \$180.19 \times 28.68584 = \$5,168.90 \) pension effective January 1, 2017
DROP complete December 31, 2018.

Motion: Mr. Owen made a motion to approve this application for DROP retirement. Mr. Saunders seconded the motion. The motion passed 7-0.
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g) Sandra L Huff, Police Dept. - Uniformed
Date of birth, July 20, 1954: 62 years of age
Total credited service: 30 years 1 mo 21 days
Average monthly salary for 2 highest 12 month periods, $5,104.13 x .025 =
$127.60 x 30.0 =
$3,828.00 pension effective January 1, 2017
DROP complete December 31, 2018.

Motion:  Mr. Owen made a motion to approve this application for DROP retirement. Mr. Saunders seconded the motion. The motion passed 7-0.

h) Thomas M Lawson, Jr, Police Dept. - Uniformed
Date of birth, November 23, 1966: 50 years of age
Total credited service: 26 years 3 mos 3 days
Average monthly salary for 2 highest 12 month periods, $5,003.12 x .025 =
$125.08 x 26.25822 =
$3,284.38 pension effective January 1, 2017
DROP complete December 31, 2018.

Motion:  Mr. Owen made a motion to approve this application for DROP retirement. Mr. Saunders seconded the motion. The motion passed 7-0.

i) Bill S McMahan, Police Dept. - Uniformed
Date of birth, July 26, 1950: 66 years of age
Total credited service: 35 years 1 mo 15 days
Average monthly salary for 2 highest 12 month periods, $5,364.12 x .025 =
$134.10 x 30.0 =
$4,023.00 pension effective January 1, 2017
DROP complete December 31, 2018.

Motion:  Mr. Owen made a motion to approve this application for DROP retirement. Mr. Saunders seconded the motion. The motion passed 7-0.

j) Cheri T Matlock-Kemp, Police Dept. - Uniformed
Date of birth, September 11, 1951: 65 years of age
Total credited service: 30 years 1 mo 21 days
Average monthly salary for 2 highest 12 month periods, $5,987.42 x .025 =
$149.69 x 30.0 =
$4,490.70 pension effective January 1, 2017
DROP complete December 31, 2018.

Motion:  Mr. Owen made a motion to approve this application for DROP retirement. Mr. Saunders seconded the motion. The motion passed 7-0.
k) Cecil Risden, Fire Dept. - Uniformed  
*Option A-4  
50% without reinstatement

Date of birth, February 4, 1957:  59 years of age  
Total credited service:  27 years 9 mos 5 days 
Average monthly salary for 2 highest 12 month periods, $5,229.01 x .025 = $130.73 x 27.76370 = $3,629.55 : Mr. Risden chose Option A-4 – 50% without reinstatement to Gail Risden, spouse. 
$3,629.55 pension effective January 1, 2017 
DROP complete December 31, 2018. 

*No reduction in Plan C for 50% Joint and Survivor Option to a spouse. 

Motion:  Mr. Owen made a motion to approve this application for DROP retirement payable under Option A-4.  Mr. Saunders seconded the motion.  The motion passed 7-0.

l) Stephen F Sise, Police Dept. - Uniformed  
*Option A-4  
50% without reinstatement

Date of birth, September 2, 1966:  50 years of age  
Total credited service:  25 years 11 mos 4 days 
Average monthly salary for 2 highest 12 month periods, $5,261.74 x .025 = $131.54 x 25.92763 = $3,410.52 . Mr. Sise chose Option A-4 – 50% without reinstatement to Donna G Sise, spouse. 
$3,410.52 pension effective January 1, 2017 
DROP complete December 31, 2018. 

*No reduction in Plan C for 50% Joint and Survivor Option to a spouse. 

Motion:  Mr. Owen made a motion to approve this application for DROP retirement payable under Option A-4.  Mr. Saunders seconded the motion.  The motion passed 7-0.

12. APPLICATION FOR PARTICIPATION IN THE DELAYED RETIREMENT OPTION PROGRAM (DROP): PURSUANT TO CHARTER SECTION 1371.8 – PLAN G.

The following employees have chosen a Delayed Retirement Option and will receive a one-time payment of the accumulated monthly benefits on termination of employment with the City of Knoxville.

a) George D Aubuchon, General Government – Plan G2  
No Option

Date of birth, December 23, 1952:  64 years of age  
Total credited service:  18 years 2 months 10 days 
Average monthly salary for 2 highest 12 month periods, $3,957.16 x .021 = $83.10 x 18.19406 = $1,511.93 pension effective January 1, 2017. 
DROP complete December 31, 2018. 

Motion:  Mr. Paseur made a motion to approve this application for DROP retirement. Mr. Saunders seconded the motion.  The motion passed 7-0.
b  Patricia S Mantooth, General Government – Plan G2  
Option A-4  
50% without reinstatement  

Date of birth, September 26, 1951: 65 years of age  
Total credited service: 23 years 1 month 17 days  
Average monthly salary for 2 highest 12 month periods, $2,735.29 x .021 = $57.44 x 23.12991 = $1,328.58.  Ms. Mantooth chose Option A-4-50% without reinstatement to Ralph L Mantooth, spouse.  $1,328.58 x .8969 = $1,191.60 pension effective January 1, 2017.  
DROP complete December 31, 2018.  

Motion: Mr. Paseur made a motion to approve this application for DROP retirement payable under Option A-4.  Mr. Saunders seconded the motion.  The motion passed 7-0.  

12. APPROVAL OF INVOICES FOR PROFESSIONAL SERVICES:  

<table>
<thead>
<tr>
<th>Invoicing Details</th>
<th>Inv. Amount</th>
<th>FYTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bryan,Pendleton, Swats &amp; McAllister – Actuary (Nov)</td>
<td>25,733</td>
<td>79,763</td>
</tr>
<tr>
<td>Kennerly, Montgomery &amp; Finley – Attorney (General - Dec)</td>
<td>2,092</td>
<td>18,800</td>
</tr>
<tr>
<td>Northern Trust – Money Manager (4th Qtr – 2016)</td>
<td>3,767</td>
<td>11,942</td>
</tr>
<tr>
<td>Summit Strategies – Investment Consultant (4th Qtr – 2016)</td>
<td>40,000</td>
<td>80,000</td>
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<td>190,505</td>
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Ms. Paczkowski, Executive Director, has reviewed the bills and certifies that they are consistent with services provided and are within the budgeted figures of the system’s financial plan.  

Motion: Mr. Saunders made a motion to pay the invoices as presented.  Mr. Owen seconded the motion.  The motion passed 7-0.  

5. ADMINISTRATIVE MATTERS  

a) Elect 2017 Officers (Chair, Vice-Chair & Secretary)  

Motion: Mr. Saunders nominated Mayor Rogero as Chair of the Pension Board.  Mr. Owen seconded the motion.  The motion passed 6-0 with Mayor Rogero abstaining on the vote.  

Motion: Mr. Saunders nominated Mr. Paseur as Vice-Chair of the Pension Board.  Mr. Owen seconded the motion.  The motion passed 6-0 with Mr. Paseur abstaining on the vote.  

Motion: Mr. Saunders nominated Mr. York as Secretary of the Pension Board.  Mr. Owen seconded the motion.  The motion passed 6-0 with Mr. York abstaining on the vote.  

b) Elect Personnel Committee Members and elect Officers  

Motion: Mr. Owen made a motion to retain the present personnel committee members which include Ms. Blanc, Mr. Paseur, Mr. Saunders and Mr. Tillett.  Mr. Saunders seconded the motion.  The motion passed 7-0.  

The Personnel Committee advised the full Board they would elect Officers at a later date.
Ms. Blanc arrived at 9:08 a.m.

c) Investment Committee Member Appointments

Ms. Paczkowski advised the Board that both Mr. King and Mr. Owen’s terms as Investment Committee members ended on December 31, 2016 and replacement or renewal of their terms needed to be decided.

Motion: Mr. Saunders made a motion to reappoint both Mr. King and Mr. Owen to new terms on the Investment Committee and to appoint Ms. Blanc to also serve on the committee. Due to other work commitments Mr. Owen indicated he would not be able to serve a second term on the Board but agreed to serve on the Board and the committee until a replacement could be secured. Mr. York seconded the motion. The motion passed 8-0.

6. EXECUTIVE DIRECTOR COMMENTS

Ms. Paczkowski advised the Board that the new doorbell for the Pension office had been installed and the work had been completed under the budgeted amount.

7. CONTRACTS: None

13. INVESTMENT MATTERS: None

Mr. Tillett arrived at 9:17 a.m.

14. OTHER:

2011 – 2016 Experience Study and Actuarial Assumption Discussion

Alan Pennington – Bryan, Pendleton, Swats & McAllister presented the 2011 – 2016 Experience Study to the Board and discussed changing several of the actuarial assumptions and the expected rate of return from 7.375% to 7.25%. Copies of Mr. Pennington’s presentation are on file in the Pension Office.

Motion: Mr. Saunders made a motion to accept the Experience Study as presented and to adopt the assumptions recommended and summarized by Mr. Pennington in the actuary’s letter of January 12, 2017. Ms. Gay seconded the motion. The motion passed 9-0.

15. PUBLIC COMMENTS: None

16. ATTORNEY COMMENTS: None

17. ADJOURNMENT:

There being no further business, the meeting was adjourned by Mayor Rogero at 10:19 a.m.

__________________________
Chair

__________________________
Date